

PHILADELPHIA'S FINANCES!

THE SPEECH OF S. DAVIS PAGE, ACCEPTING THE NOMINATION FOR CITY TREASURER, DELIVERED ON TUESDAY EVENING, OCTOBER 14th, 1879.

Reported in THE PUBLIC LEDGER and THE PHILADELPHIA RECORD on Oct. 15, 1879.

FELLOW-CITIZENS:—It is meet, and on many accounts desirable, that at this, the first meeting I have attended under the auspices of any General Campaign Committee, something should be said as to the honor the Democratic party has seen fit to confer upon me, a most humble member of it; the manner in which that party has acted for the good of the people, within and without it, as the best men in it, regardless of faction or of self, have shown to this community was their motive; the need for such action; and my own final determination respecting it.

It is an open secret that we have had our family quarrels and disputes, and it is equally well understood that, so far as concerns the ticket that the Democratic party has presented to the people of Philadelphia, the only difference among us that can possibly arise between this and the day of election is in our earnest emulation to show to those upon that ticket who in all the party can do the most to elect it. Feeling well assured that this is true, and that the pledges, which alone induced me to permit my name to come before the party and the people, will be kept, I stand here to-night. [Continued applause.] When first asked to enter into this contest I demanded three conditions, upon which to predicate my action: First, that the men whom we all must regard as the foremost men of the Democratic party required it of me as a duty; second, that the gentlemen placed by my side upon the ticket should be men whom all must respect as bringing strength to it, and, thirdly, that I should have a united party at my back—a party actuated by the best motives, the placing of fit men in office. Each condition has been nobly answered, and I can no longer hesitate in what I have to do. [Applause.]

I know not why I should have been chosen, save that I have in my three years of public life shown my earnest wish, in season and out of season, to guard the people's rights. In that busy contact with city affairs, I have learned somewhat of the course over which we have drifted in the last twelve years, and the need of action, such as that in 1877, to arrest our progress. We have gone on in our municipal government as if settling day was never to come, and the directors of this great corporation, in which every man who pays a tax, directly or indirectly, is a shareholder, were never to be called upon to render an account of their stewardship. If hard times had not reached the basis of our taxation, and real estate had gone on and up as six or seven years ago, perhaps no one would have stopped to count the cost; but when, as to-day, many properties in Philadelphia do not net their owners as much as the two per cent. claimed by the tax gatherer, and some do not produce enough to pay him at all, we stop and look about us to seek the cause of our trouble, and, if possible, find a remedy. We have reached a point where sentiment must be laid aside, and municipal affairs considered on business principles. It makes little odds to you or to me what may be the verdict in Ohio to-night if we find the vast sums taken from us by taxation have been wasted, and the burden of our debts greater than we can bear, and the pressure of our tax rate harder than we can stand. A year since we felt we could stagger on no longer; a year hence many must have fallen by the way; and unless the present revival in business shall create a greater demand for real estate, certainly a great deal of that in the outer wards, where whole blocks are almost tenantless, must pass under the hammer of the Sheriff.

We have given freely of our substance to carry on this city government, and if, to-day, we have not the best municipal improvements, it is not because we have not

paid for them; such huge sums of money should have kept our city's paper off the streets, and met all the legitimate needs of departmental administration—and at no time in the twelve years prior to 1878 should our debt have increased beyond our means of meeting it.

On January 1st, 1866, the funded debt of the city was \$33,837,793.96, and the outstanding warrants for 1865 amounted to \$1,561,124.90.

On January 1st, 1878, the funded debt of the city was \$61,721,541.70, and the "floating debt" of the departments had mounted to the prodigious figure of \$11,893,810.09, showing an increase in the twelve years of more than double the total indebtedness of the city, viz., \$38,216,432.93; and this in spite of the enormous sums raised by taxation and those derived from other sources.

The Tax Receiver had taken from us in those years:—

In 1865.....	\$3,363,674	32
In 1866.....	5,084,539	09
In 1867.....	5,385,941	14
In 1868.....	5,109,078	65
In 1869.....	6,720,066	04
In 1870.....	7,322,165	89
In 1871.....	7,363,510	79
In 1872.....	9,341,437	39
In 1873.....	10,108,344	87
In 1874.....	10,755,727	42
In 1875.....	10,976,256	91
In 1876.....	11,183,928	33
In 1877.....	11,817,276	17

Making the enormous total of..... **\$104,531,947 01**

In the same time there had been paid into the city treasury from sources other than taxation:—

In 1865.....	\$7,141,717	58
In 1866.....	3,732,078	78
In 1867.....	4,299,271	95
In 1868.....	2,928,428	34
In 1869.....	7,382,627	40
In 1870.....	4,711,087	79
In 1871.....	4,215,659	41
In 1872.....	7,315,239	31
In 1873.....	9,339,373	59
In 1874.....	4,780,191	73
In 1875.....	3,233,850	78
In 1876.....	3,237,392	50
In 1877.....	2,937,076	49

\$65,253,995 65

This vast sum of \$169,785,942.66, the men who have had control of municipal affairs in this city during those twelve years have handled and managed. What have they done with it? Have they spent it as though in trust for you, whose money it was? You must answer that question—not I.

The expenditures of the city have increased from \$10,363,256.04 in 1865 to \$15,785,158.40 in 1877, while the cost of the departments has passed from \$6,281,330.40 in 1865 to \$8,139,560.06 in 1869; to \$9,459,360.29 in 1874; to \$10,986,182.89 in 1875, and \$10,580,393.78 in 1876, since which they have been reduced in 1877 to \$8,369,343.97 and in 1878 to \$7,797,494.34, with a certainty of being less in 1879 and 1880, by reason of the overthrow of these people in Councils and the reorganization of the committees.

The outstanding taxes uncollected have increased from \$2,415,648.34 on the 1st of January, 1866, to \$9,495,149 on the 15th of March, 1879, and this in spite of the creation of the office of Delinquent Tax Collector and all the additional cost and annoyance it has put upon us. I have thought that these taxes would have been best collected as other outstanding claims of the city, with more satisfaction to all but the favored class of officeholders and politicians, who seem to escape the burdens of citizenship while enjoying all its emoluments.*

And here let me say it would seem indeed that all the profits of the higher offices, as well as the choice of those who are to fill them, were in the hands of a very few men, and that all I speak of were closely bound together, not for the benefit of the people, if the enormous cost of government and increase in the city debt since they have had absolute power in Councils is any criterion.

It is time for the people to assert their supremacy and once more to demand their rights, and now an opportunity is offered.

* The sub-committee of the Finance Committee of Councils reported on this subject, March 31st, 1879, that they "found on the books of the Collector a large number of delinquents, many of whom are abundantly able to pay, in the opinion of your committee, and some at the present time holding high official positions, and receiving money from the very treasury that they ought to replenish, and for which there is so much need, and these delinquents belong not to one particular party, but to all parties. Your committee find that of this class many names appear on the books as delinquent from the creation of the office and the system consecutively to the present time." Report signed by S. G. King, James R. Gates, S. Davis Page, David Wallace, John Hunter, and General Report signed by eight other members. C. C. App., No. 79, page 678.

In Mr. Hartranft you have a man so well thought of in the business community as to have filled one of the highest offices in their gift, that of the presidency of the Commercial Exchange:

In Mr. Greenbank, a man who has drawn from the people the highest number of votes gained by any Democrat in many years, sufficient to have kept him upon the Bench of the District Court, if partisanship had not determined the question, as I have been assured by his counsel, who presented his case to the Legislature: As for myself, I do not propose to call your attention to what I have done, or what I will do if you should ratify the choice of the Democratic party in nominating me, but I think it proper to point out some of the evils in the past conduct of the City Treasury that certainly have added to your tax rate and taken some of your resources from you.

Prior to 1871 the balances in the City Treasury rarely grew above \$1,500,000, and were generally used as fast as accumulated. Since 1871 these balances have increased to a vast amount, at times reaching over \$6,000,000, the maximum sum being \$6,424,222.15, in April, 1877, as appears from the reports of the Committee to Verify the Cash Accounts of the City Treasurer, as follows:—

1876. April 29th.....	\$5,427,438 96	1877. October 31st.....	\$4,403,326 48
" May 31st.....	4,701,891 51	" November 30th..	3,856,494 00
" June 30th.....	5,259,932 29	1878. January 30th....	2,767,704 53
" September 30th..	4,574,114 18	" February 28th...	2,283,104 25
" October 31st.....	4,523,223 57	" March 30th.....	3,790,855 53
1877. January 21st....	3,329,985 24	" April 30th.....	4,266,490 14
" February 28th...	3,157,104 18	" May 31st.....	4,401,618 19
" March 31st.....	6,061,787 98	" June 30th.....	4,552,305 59
" April 30th.....	6,424,222 55	" July 31st.....	2,866,330 41
" May 31st.....	6,414,160 88	" August 31st.....	3,976,211 16
" September 29th..	5,301,714 06	" September 30th..	3,217,742 09

while on September 30th, 1879, the balance had again arisen to \$4,113,704.48.*

Up to 1872 there were but few banks made depositories of the city's money, and of these the Girard Bank generally had the largest deposit, but in that year the Corn Exchange Bank was added, and at once received over \$450,000, when the ordinance of March 18th, 1872, was passed limiting the deposit in any one bank to \$300,000 at any one time, presumably because of the unequal distribution then made.

In 1873, while there was an apparent balance of over three and a half millions, there were deposited in the Farmers' and Mechanics' Bank for the interest due 1st of July, 1873, as much as two and a half millions more as early as the month of May—the beginning of an evil custom of concealing the real balance in the Treasury, and by it claiming a paucity of assets to meet the city's liabilities, while the main liability—the interest on the debt—was then more than provided against. No note was made in the reports rendered by Mr. Widener nor Mr. Southworth of this sum placed in the hands of the fiscal agent of the city, and in the cash account presented the Treasurer always takes credit, as for a payment or disbursement made, diminishing the assets of the city and reducing his apparent balance.

In April, 1878, when the Treasurer claimed a balance of three and one-third millions, I discovered this custom, and from that time, when I found \$971,000 already in the Farmers' and Mechanics' Bank, we required the entire balance to be accurately stated, as long as I had the honor of serving on that committee.

In October, 1873, the People's Bank was made a depository, and immediately sprang into great favor with the City Treasurer, receiving by November 29th, 1873, within a month, \$432,264.49 on deposit; and during succeeding years, in 1876, in March, April, May, June, September, October, and November, \$750,000, \$944,366.94, \$919,366.18, \$650,000, \$600,000, \$658,365.33, and \$483,365.40 respectively, while in 1877, during the months of March, April, and May, the balance remained exactly \$566,150, without change, and through most of the recess of 1877 the deposit in that bank was \$811,950. From March 1st, 1877, no check was drawn against the People's Bank until September 29th, 1877, when \$625,000 were drawn, of which \$250,000 were returned within a few days, and kept till \$336,950 were drawn on October 31st, 1877, on which day the committee verified his accounts.

During this time the ordinance of 18th March, 1872, was in force, and another ordinance, approved 12th December, 1868, requiring payment of warrants when there were over \$20,000 in the Treasury beyond the needs of the debt and Sinking Fund. The oath of the Treasurer bound him to obey them.

* The reductions in 1877 and 1878 were produced by constant pressure upon the Treasurer. See C. C. App., 1879, Vol. I., pp. 941-2-3.

The capital stock of the People's Bank is \$150,000, I believe, and yet they often had six times that amount of the city's money.

The directors of the People's Bank were, until lately, William H. Kemble, under whose administration as State Treasurer the moneys of the State, as here, were deposited among favorite banks and bankers, and who is now under indictment at Harrisburg for attempts at bribery and completed perjury; William H. Kerns and William H. Elliott, both High Sheriffs of this county when the fees of that office were a fortune; Henry Bumm, the successor of John L. Hill as Delinquent Tax Collector under the provisions of a law that never passed the Legislature of Pennsylvania, and now a Trustee of the City Gas Works; James McManes, the embodiment of all that the words "Gas Trust" mean to Philadelphians, and Joseph J. Martin, his intimate friend and associate, who was during all this time the member of Common Council from the Fifteenth Ward, and is now the Republican nominee for the office of City Treasurer.*

The Gas Trust, through A. C. Roberts, the present Receiver of Taxes, and Thomas J. Smith, the late Receiver of Taxes, and his close kinsman, William J. Donohugh, the Collector of Delinquent Taxes for the past three years and a half, when the gains of that particular office have been over \$200,000 per annum, have already the control of the receipt of the vast portion of the city's income. See to it, fellow-citizens, that the keeping of all the city's moneys does not pass into the same grasping hands. [Applause.]

But returning to the deposits of the city's money, the favoritism complained of was seen also in September, 1873, when the Central Bank had \$1,000,000 on deposit and the Corn Exchange Bank the same, and again in 1876 and 1877, when the Girard National Bank often had from half a million to three-quarters of a million.

It was alleged in Councils and in committee that there was a motive for such perverse violation of the ordinance of March, 1872, and on an inquiry for the facts respecting it neither Mr. Widener, Mr. Southworth, nor Mr. Peter Lane chose to appear in answer to the Mayor's subpoena, and, no power resting with Councils to force attendance, we were left under the impression that if those gentlemen had no motive for leaving these balances in these banks, contrary to the words of the ordinance and certainly against its spirit, looking to an equalization of the balances among the various banks made depositories, they certainly were acting in and had acted in a manner regardless of the best interests of the city, however careful they may have been of their own. To-day there are many depositories, but the bulk of the money is in a few banks.

So long as unnecessary balances are kept in the treasury so long, uselessly, you and I have paid interest on that amount of city warrants unpaid for no reason that a business man can imagine. When you remember that five cents on the tax rate means nearly \$200,000, you can readily calculate who in the past has paid for this manner of keeping the city's money.

I have no promises to make; but I fancy that the service I have rendered the tax-payers is some pledge that no needless burdens will be by me put upon them. Indeed, I cannot understand the motive that could induce me to violate the ordinance of Councils and lay myself open to a suspicion of breaking the criminal code providing against any bargain or agreement securing the City Treasurer any advantage from the deposit of the city's moneys, to say nothing of the sanctity of his oath of office and the pains and penalties imposed upon its violation. This, then, being my idea of the duties of the office for which I have been nominated, I accept with thanks the honor the Democratic party has done me, and I mean, if elected, to do my best to keep the Treasury, as any bank, ready to meet legitimate drafts upon it, and deposit the money of the city where Councils may designate, without favoritism to persons or to party. [Continued applause.]

In conclusion, I would say that this election involves issues for you as tax-payers and citizens of vital moment. It will not become you as good citizens to say that this is an off year and there is nothing of national value at stake. This election concerns you in your homes and at your firesides. Shall you rule yourselves, or will you bow your necks still lower to the yoke of men who dare not themselves come before you in any instance for your suffrage? There are people in this community who claim that politics, politicians, and questions of elections are beneath their lofty consideration. Such people are the worst citizens that any free government can be cursed with, who, by their apathy, render possible all the crimes, disorders, and oppressions whereof we complain, and for which the votes of the sovereign people are the only remedy. [Great applause.]

* These were the Directors in 1876, 1877, and 1878; while in 1873 and 1874 the seat of J. J. Martin was filled by Wm. Bumm and in 1875 by Thos. J. Martin.



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